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Washington DC	FACING PAGE	
Information Required of	Brokers and Dealers Pursuant to Section 17 o	f the
Securities Excha	nge Act of 1934 and Rule 17a-5 Thereunder	

REPORT FOR THE PERIOD BEGINNING 10	0/01/2018 _{AND ENDING} 09/30/2019)19	
	MM/DD/YY		M/DD/YY	
A. REGI	STRANT IDENTIFICATION	ON		
NAME OF BROKER-DEALER: De Paola Trading, Inc.		OF	FICIAL USE ONLY	
ADDRESS OF PRINCIPAL PLACE OF BUSI)	FIRM I.D. NO.		
40 Wall Street, Sui	te 1704			
	(No. and Street)			
New York	NY	1000	10005	
(City)	(State)	(Zip Code	(Zip Code)	
NAME AND TELEPHONE NUMBER OF PER Ilina Stamova	RSON TO CONTACT IN REGAR	D TO THIS REPORT (212) 668-8	700	
		(Area C	ode – Telephone Number)	
B. ACCO	OUNTANT IDENTIFICATI	ON		
INDEPENDENT PUBLIC ACCOUNTANT wh	ose opinion is contained in this R	Leport*		
Lerner & Sipkin, CPAs, LLP				
(1)	Name – if individual, state last, first, mid	dle name)		
132 Nassau Street	New York	NY	10038	
(Address) CHECK ONE:	(City)	Securifies and Excl Trading an	nange ^(Zip Code) d Markets	
Certified Public Accountant				
Public Accountant		MOV 1	3 2019	
Accountant not resident in United States or any of its possessions.		RECE	IVED	
	OR OFFICIAL USE ONLY			



^{*}Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Peter Juliar	n De Paola	, swear (or affirm) that, to the best of
my knowledg De Paola Trad		atement and supporting schedules pertaining to the firm of
of September	<u> </u>	, as 20_19 , are true and correct. I further swear (or affirm) that
neither the co		al officer or director has any proprietary interest in any account
		Signature
X (a) FacinX (b) State☐ (c) State	Notary Public contains (check all applicable boxes): ag Page. ment of Financial Condition. ment of Income (Loss). ment of Changes in Financial Condition.	Title JAY GETTENBERG Notary Public, State of New York No. 01GE6180376 Qualified in New York County Commission Expires March 8, 2020
☐ (e) State ☐ (f) State ☐ (g) Comp ☐ (h) Comp ☐ (i) Infor ☐ (j) A Re ☐ Comp ☐ (k) A Re ☐ conso ☐ (l) An C ☐ (m) A cop	ment of Changes in Stockholders' Equity of ment of Changes in Liabilities Subordinate putation of Net Capital. putation for Determination of Reserve Requiration Relating to the Possession or Controconciliation, including appropriate explana putation for Determination of the Reserve Foundation between the audited and unaudication. Path or Affirmation. py of the SIPC Supplemental Report.	d to Claims of Creditors. uirements Pursuant to Rule 15c3-3.

^{**}For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

DE PAOLA TRADING, INC.

STATEMENT OF FINANCIAL CONDITION

FOR THE YEAR ENDED SEPTEMBER 30, 2019

DE PAOLA TRADING, INC.

SEPTEMBER 30, 2019

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Jay Lerner, C.P.A. ilerner@lernersipkin.com

Joseph G. Sipkin, C.P.A. isipkin@lernersipkin.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders of De Paola Trading, Inc. c/o Accounting and Compliance International 40 Wall Street – 17th Floor New York, NY 10005

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of De Paola Trading, Inc. as of September 30, 2019, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of De Paola Trading, Inc. as of September 30, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of De Paola Trading, Inc.'s management. Our responsibility is to express an opinion on De Paola Trading, Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to De Paola Trading, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Jorna J. Sipkin CPAs, LLP Lerner & Sipkin CPAs, LLP Certified Public Accountants (NY)

We have served as De Paola Trading, Inc.'s auditor since 2017.

New York, NY November 1, 2019

STATEMENT OF FINANCIAL CONDITION SEPTEMBER 30, 2019

ASSETS	
Cash	\$ 337,229
Accounts receivable	589,071
Receivable from NYSE	91,178
Due from clearing firm	183,246
Other assets	64,405
Total assets	\$1,265,129
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities:	
Accounts payable and accrued expenses	\$ 352,311
Commission payable	274,776
Other liabilities	39,074
Total liabilities	666,161
Stockholders' equity	
Common stock, no par value, 200 shares	
authorized, 10 shares issued and outstanding.	45,000
Additional paid-in capital	25,000
Retained earnings	528,968
Total stockholders' equity	598,968
Total liabilities and stockholders' equity	\$1,265,129

NOTES TO FINANCIAL STATEMENT SEPTEMBER 30, 2019

Note 1 - Nature of Business

De Paola Trading, Inc. (The "Company") is a New York corporation, formed on February 27, 2007, for the purpose of conducting business on the floor of the New York Stock Exchange ("NYSE"). The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Securities Investors Protection Corporation ("SIPC").

The Company earns commissions as an introducing broker of securities transactions.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on history of past write-offs and collections and current credit conditions. No allowance for doubtful accounts was required at September 30, 2019.

Revenue Recognition

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis.

Effective July 1, 2018, the Company adopted the new revenue recognition standard established by the Financial Accounting Standards Board ("FASB"): ASC Topic 606, Revenue from Contracts with Customers ("ASC Topic 606"). The new revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The Company applied the modified retrospective method of adoption which resulted in no adjustment as of July 1, 2018. The new revenue recognition guidance does not apply to revenue associated with financial instruments, interest income and expense, leasing and insurance contracts. The Company has assessed the effect that Topic 606 (as amended) has had on its results of operations, financial position and cash flows and has determined that all revenues have been fully earned as of September 30, 2019. The Company's execution transactions generally settle T+2, upon which no performance obligations remain to fulfill the Company's obligations to its customers.

NOTES TO FINANCIAL STATEMENT SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (Continued):

Income Taxes

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead the stockholders are liable for individual income taxes on their respective shares of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

Fair Value Measurements

In accordance with ASC 820, Fair Value Measurements and Disclosures, the Company discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). This guidance provides three levels of the fair value hierarchy as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, at the measurement date, including inputs in markets that are not considered to be active;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company has no investments as of September 30, 2019.

Note 3 - Profit Sharing Plan

The Company is a sponsor of a defined contribution profit sharing plan for its eligible employees. Contributions to the plan, if any, are determined by the employer and come out of its current accumulated profits. The employer's contribution for any fiscal year shall not exceed the maximum allowable as a deduction to the employer under the provisions of the IRS Code Section 404, as amended, or replaced from time to time.

The Company has no liability to the plan as of September 30, 2019.

Note 4 - Concentrations of Credit Risk

The Company maintains principally all cash balances in one financial institution which, at times may exceed the amount insured by the Federal Deposit insurance Corporation. The exposure to the Company is solely dependent upon daily bank balances and the respective strength of the financial institution. The Company has not incurred any losses on this account. At September 30, 2019, the amount in excess of insured limits of \$250,000 was \$87,229.

NOTES TO FINANCIAL STATEMENT SEPTEMBER 30, 2019

Note 5 - Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash distributions paid if the resulting net capital ratio would exceed 10 to 1. At September 30, 2019, the Company had net capital of \$143,532, which was \$99,121 in excess of its required minimum net capital of \$44,411. The Company's ratio of aggregate indebtedness to net capital was 464% as of September 30, 2019.

Note 6 - Financial Statements with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers.

The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

Note 7 - Commitments

Office Space

The Company did not lease any office space throughout the period and is not under any contractual commitment for a lease liability.

Note 8 - Recently Issued Accounting Pronouncements:

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

For the year ending September 30, 2019, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENT SEPTEMBER 30, 2019

Note 9 - Subsequent Events

The Company has evaluated subsequent events through November 1, 2019, the date this financial statement was available to be issued, and has determined there are no subsequent events to be reported.